

Headquarters U.S. Air Force

Integrity - Service - Excellence

Managing Risk from Unregulated Requirements



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SAF/IEE

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Restoration Program

Challenge of Unregulated Contaminants

- **What is the Proper Response When New Cleanup Standards Are Proposed, or New Risk Assessment Data Becomes Available?**
 - **EXAMPLE: Perchlorate**
 - **Currently Unregulated**
 - **Tremendous Pressure to Sample and Begin Cleanup to 1 ppb due to EPA Draft Health Risk Assessment**
 - **EXAMPLE: Trichloroethylene**
 - **Current Drinking Water Limit is 5ppb**
 - **Tremendous Pressure to Lower Cleanup Standards (1 ppb or even ND)**
- **In Both Cases, DoD Disagrees with EPA's Analysis and Process**
- **SAF/IEE and OSD-ATL Working with Administration to Resolve**
 - **Interagency Engagement Superintended by EOP**
 - **Development of "Unregulated Contaminant" Policy**



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DoD Goal

Effective Risk Management to Protect Human Health and the Environment



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Concerns du jour

- **Perchlorate**
 - **TCE**
 - **RDX**
 - **Source Zone Removal**
-
- **Watching: 1,4-Dioxane, PCE, HMX, ??**



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Ideal Model

Credible Risk Analysis + Credible Cost / Benefit Analysis Effective Risk Management

**EPA Health Risk Assessment → IRIS
+ SDWA MCL Standard Setting Process
MCL → Cleanup ARAR, RCRA, SDWA, etc.**



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Less Than Ideal Model

Credible Risk Analysis
↓
+ **Credible Cost / Benefit Analysis**
Effective Risk Management

DRAFT EPA Health Risk Assessment
↓
+ **SDWA MCL Standard Setting Process**
MCL → Cleanup ARAR, RCRA, SDWA, etc.



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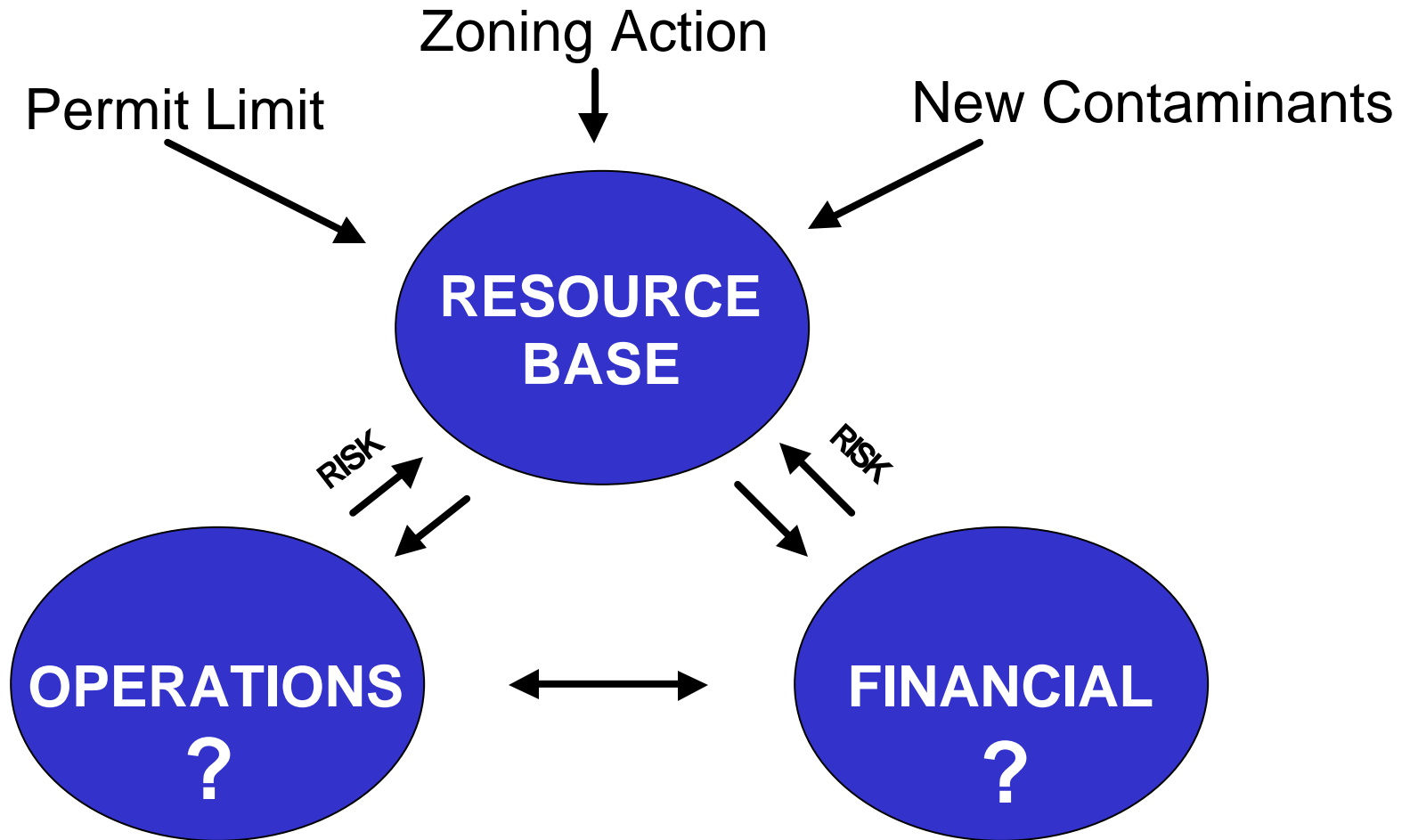
Why Would This Happen

- **Frustration with Bureaucracy**
- **Political**
- **Perception of Serving Public Interest**
- **Below EO 12866 Screening Level of \$100M**



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Impact Model





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Perchlorate Case Study



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Risk Management Concerns

- **1999 EPA Guidance (reaffirmed in 22 Jan EPA Ltr to Regions)**
- **2002 Draft Health Risk Assessment**
- **EPA (ORD & NCEA) Interactions with regulatory communities, public, media**



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Operational Risks

- **Supply chain of ordnance & propulsion systems for DoD / NASA / NMD are vulnerable to a SINGLE POINT FAILURE**
- **Loss of training resources (i.e. losing access to ranges / munitions areas via SDWA, CWA, RCRA & other injunctive statutory instruments)**
- **Degradation of weapons / propulsion / missile defense systems**
- **Loss of support resources (potable water, access to surface/subsurface)**



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Financial Risks

- **RDT&E to re-tool weapons / propulsion / missile defense systems with alternative energetic compounds**
- **Environmental Liability / Cleanup costs**
 - **Increasing unit cost of weapons / propulsion / missile defense systems from Defense Industry (charged back via G&A or settlements)**
 - **Direct costs to DoD environmental TOA**



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Non-DoD Risk Examples

- **Loss of Community Water Supply Resources**
- **Diversion of Scarce Environmental Management Resources from Other Priorities**
- **Impediment to Unrestricted Land Use and Development**



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What Can/Should Be Done

- **GE vs. EPA, 2002**
- **Interagency Review and Resolution – EO 12866**
 - **IPSC**
 - **Senior Leadership Negotiations**
 - **EOP via Council on Environmental Quality**
 - **Process - OMB**
 - **Science - OSTP**
 - **ECOS**
- **DoD Policy to Address Broad Issues**



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Basic Premise

- **Overstated Risk leads to Op risk + Financial Risk**
- **Commander or RPM is in difficult situation when asked to respond to non-statutory requirements**
 - **Legal**
 - **Fiscal**
 - **Ethical**
 - **Community Relations**
- **Attention to this has not been sufficient to defend AF Position and quantify costs / benefits**
- **So: increased cost accounting, decision authority (supported by special peer review) at higher level**
- **“Must-Fund” program not flexible enough, but must maintain discipline somehow**



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New Policy Elements

- **Decision-making Authority**
- **Cost Accounting**
- **Technical Support**



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Proposed Policy

- In most cases (restoration activities above MCL), no change
- But, when requests arise for cleanup or significant response more stringent than promulgated standards (may need “hot list”):
 - Installation must request Regulatory Agency to provide Explanation of Significant Differences
 - Reviewed by special panel (legal, fiscal, technical)
 - Panel Recommendation to MAJCOM/CV or appropriate ROD signatory authority for decision
- Decision filed with SAF/IE
- Extra Cost Accounting Steps

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Thank You!



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